**NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)**
**FINANCE SUBCOMMITTEE**

**February 27, 2015**
**9:00 a.m. - 11:00 a.m.**

**Executive Conference Room**
**1327 N. Riverside Drive**
**Espanola, NM 87532**

# AGENDA

**CALL TO ORDER: Tim Vigil, Chair**

**Roll Call:**

**ITEMS FOR DISCUSSION/RECOMMENDATION**

**A.** **Discussion of Potential Opportunities with the Taos Chili Line**
*Sponsor:* Anthony Mortillaro, NCRTD Executive Director. *Attachment.*

**B.** **Minutes from January 23, 2015**
*Draft Minutes.*

**MATTERS FROM THE SUBCOMMITTEE**

**ADJOURN**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language Interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

# Memorandum

**To:** Finance Subcommittee

**From:** Anthony J. Mortillaro, Executive Director

**Date:** February 20, 2015

**Re:** Discussion of Collaborative Opportunities between the NCRTD and Town of Taos Chile Line

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**Background:** At the February 6, 2015 Board of Directors meeting the Chair and Executive Director informed the Board that there was interest from the Town of Taos to discuss further collaborative opportunities between the two entities regarding transit services, which relate to the prospect of consolidation of the Chile Line transit services with those of the District. The Board did not have any objection to the Executive Director and Staff engaging in these discussions with the Town of Taos. The District and Town of Taos have recently had discussions about exchanging and eliminating duplicative services related to the UNM Klauer route and the Taos Express service. These discussions were beneficial to both entities and have been implemented. On February 12, 2015 the NCRTD Staff and Taos Town Mayor Daniel Barrone, Taos City Councilor Fred Peralta and Taos Town Manager Rick Bellis met to discuss the prospects of consolidation of services and benefits. It was determined that this matter merited additional discussion with the remainder of the Town of Taos Council, the District's Finance Subcommittee and the District's Board. An anticipated schedule of events is incorporated into the Evaluation Summary attached hereto.

The Intergovernmental Contract (IGC) between the District and its members provides for under Article II, Section 2.06 (b) "Regional Transit Services. The District shall use its best efforts to provide the Regional Transit Services described in Appendix D hereto." Appendix "D" 7, states "In the interest of a coordinated, expanded regional public transit service network, the NCRTD will pursue management of the following transit programs, projects and services" and, in particular, one of the bullets thereunder calls out "coordinated, integrated, consolidated, and expanded local bus service wherever possible;". Therefore, the discussion with the Town of Taos regarding the practicality and benefits of a consolidation of their transit services into the District operations was envisioned by the IGC as far back as 2004 (see attached sections) .

**Recommendation:** Staff recommends that the Finance Subcommittee review and discussion the evaluation summary related to consolidation and provide the Board of Directors with a recommendation.

**Attachments:**

- IGC sections
- Evaluation Summary

have all powers necessary to carry out such responsibilities, subject to the availability of funds and, to the extent required by law, annual appropriation of funds by the Board. The description of specific responsibilities and powers in this Section shall not, however, limit the general powers of the District described in Article V hereof.

(a) **Regional Transit Planning**. The District shall work in coordination with the New Mexico Department of Transportation (NMDOT), Regional Planning Organizations (RPOs), and Metropolitan Planning Organizations (MPOs) to provide regional transit planning services needed to plan and direct the Regional Transit Services of the District, to pursue state and federal funding, and to coordinate overall transportation policy within the area in which it provides Regional Transit Services.

(b) **Regional Transit Services**. The District shall use its best efforts to provide the Regional Transit Services described in Appendix D hereto.

(c) **Contract Transit Services**. The District may enter into contracts with any Member or other Person for the provision of transit services in the manner and subject to the terms of such contracts.

(d) **Local Service**. The District may fund Regional Transit Services that serve the residents and businesses of a Member (as distinguished from regional services) but, except as otherwise specifically provided herein, only pursuant to an agreement in which such Member pays the District for the services provided on the same fully allocated cost basis used to determine costs of District services throughout the District's service area.

## ARTICLE III
## BOUNDARIES

**Section 3.01. Original Boundaries**. Membership in transit districts is open to Governmental Units, which means the State, a County or Municipality of the State, or an Indian Nation, Tribe, or Pueblo located within the boundaries of the State. The North Central Regional Transit District may include any Governmental Unit within or containing the boundaries of Los Alamos, Río Arriba, Taos or Santa Fe Counties, as described in Appendix A.

**Section 3.02. Amendments to Boundaries.** The original boundaries of the NCRTD may be amended according to the process described in Article XI of this Contract.

## ARTICLE IV
## CONTRACT

**Section 4.01. Effective Date**. The term of the original Contract began when the New Mexico State Transportation Commission certified the creation of the District.

**Section 4.02. Termination**. The term of this Contract shall end when all the current Members agree in writing to terminate this Contract; provided, however, that this Contract may not be terminated so long as the District has any Bonds outstanding.

**Section 4.03. Amendments**. Any amendment to the Contract shall be made only by the execution in writing of each of the governmental units that entered into the Contract.

**Section 4.04. Parties of Interest**. Nothing expressed or implied herein is intended or shall be construed to confer upon any Person other than the Members any right, remedy or claim

**APPENDIX D**
**REGIONAL TRANSIT MOBILITY CONCEPTS**
**FOR THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)**

1. The geographic boundaries of the NCRTD are the borders of Río Arriba, Los Alamos, Taos and Santa Fe Counties. NCRTD will include other Governmental Units within these boundaries.

2. All services anticipated to be provided by the NCRTD are for the benefit of the residents of, and visitors to, the North Central New Mexico Region.

3. Plan for the operation, coordination, and expansion of regional and local public transit services within the boundaries of the District.

4. Participate in rural and urban transportation planning through involvement in Regional Planning Organizations and the Santa Fe Metropolitan Planning Organization.

5. Pursue the development of regional pedestrian/bicycle pathways to enhance connections with transit services.

6. Promote existing public transit services to increase ridership and the effectiveness and efficiency of transit services in the region.

7. In the interest of a coordinated, expanded regional public transit service network, the NCRTD will pursue management of the following transit programs, projects and services:

   - ***Regional Park and Ride commuter bus services from Santa Fe to Los Alamos, Española, Albuquerque, and Española to Los Alamos;***
   - ***Park and Ride bus service to/from the Santa Fe area;***
   - ***Park and Ride lots to connect to regional and local bus service and to encourage citizens of the region to carpool;***
   - ***Commuter Rail service between Santa Fe and Albuquerque;***
   - ***Commuter Rail service between Santa Fe and Eldorado;***
   - ***Coordinated, integrated, consolidated, and expanded local bus service wherever possible;***
   - ***Carpooling and Vanpooling in the tri-county are;***
   - ***A dedicated GRT as one tool among others for financing the NCRTD operations pursuant to State of New Mexico statutes.***

***Evaluation Summary – Taos Chile Line Consolidation***

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|---|---|
| ***Service Implications*** | ○ Focus on intra-county travel with greater attention to town needs<br>○ Formal coordination and planning of connecting bus services<br>○ Common fare<br>○ Consolidated paratransit reservations and scheduling and provision of paratransit services<br>○ Consolidated paratransit service delivery standards<br>○ Synergistic approach to a spoke and hub approach for routes in the Taos area which may lead to more efficient and effective uses of tax dollars for the services<br>○ ITS system will provide Computer Aided Dispatch for paratransit scheduling and enhanced data for transit planning and system performance monitoring<br>○ Incorporates Town transit needs into a long term strategic study and plan<br>○ May result in future expansion of dial-a-ride services for certain areas of the Town and County<br>○ May result in future service expansion to Taos Pueblo<br>○ Possibility of longer service hours M-F than the current 7:30 a.m. to 5:30 p.m. (town routes)<br>○ Possibility of special services with longer summer operating hours and special events (New Year's, Saint Patrick's, 4th of July, and Halloween) |
| ***Staffing Resources*** | ○ Consolidated staffing for Taos Area Services<br>○ Consolidated staffing provides flexibility for scheduling and back up<br>○ Employees conveyed and placed on District pay plan (majority of employees conveyed will experience an increase in pay) see attached pay plans<br>○ Employees benefits may be on par or equal to District's (currently with State of NM Benefits Plan)<br>○ Union representation<br>○ Employees will retain Town hire date and seniority<br>○ Employees will serve six month probationary period<br>○ PERA Contributions – Town employees contribute 10.65% vs. RTD employees contribute 5.15% |
| ***Fares*** | ○ Fare Free service<br>○ Handi Van fares will be free within ¾ mile<br>○ TSV services will charge a fare |
| ***Physical Assets*** | ○ Conveyance of transit operations facility (garage/office) and appurtenances or lease for $1/year<br>○ Conveyance of all transit system signage, bus benches and shelters<br>○ Conveyance of all transit fleet (15-16 vehicles of an unknown condition)<br>○ Short and long term plan for placement of AVL on fleet |

| | |
|---|---|
| ***Customer Service*** | ○ System will be placed on ITS system and will result in enhanced customer and service information<br>○ Enhanced promotion and marketing<br>○ Singular telephone and website information |
| ***Financial Implications: Transition Costs*** | ○ Town will need to convey sufficient funds for accumulated vacation and sick leave balances of employees transferred to District<br>○ District costs to on-board employees to its Service Excellence and Customer Service program<br>○ District costs to install MDTs and associated equipment for ITS<br>○ District costs in matching funds for operations can range from $27,636 to $119,636 annually<br>○ District future costs for capital replacement matching contribution |
| ***Financial Implications: Annual Savings*** | ○ Relieves Town of resource implications related to operating a transit system and will reduce administrative oversight, implications on finance department (payroll, human resources management, accounts payable, grant management, budget and reporting) and other support departments will benefit<br>○ Possibility for fleet maintenance agreement with Town or County of Taos<br>○ Relieves Town of matching contribution for administrative, operations and capital expenses<br>○ Town will retain $187,598 (FY 15 Lodgers Tax contribution) annually |
| ***Town Representation*** | ○ Policy decision making by Town representatives through participation and Board seat on the RTD |
| ***Implementation*** | ○ Policy bodies need to concur and authorize staff to move towards consolidation (February/March)<br>○ A consolidation and acquisition agreement needs to be drafted and adopted by policy bodies (April/May)<br>○ An agreement with NMDOT must be arrived at to convey previously allocated FY15 funds related to Taos Chile Line service<br>○ Target date of June/July 2015 |

<u>District Compensation Plans</u>

July, 2014 thru June 30, 2015

| Union | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Annual Salary | | | | Hourly Rates | | | | |
| MINIMUM | MIDPOINT | MAXIMUM | JOB TITLE | MINIMUM | MIDPOINT | MAXIMUM | JOB VALUE | RANGE % |
| $30,169 | $36,203 | $42,237 | *TRANSIT DRIVER III/LEAD | $14.50 | $17.41 | $20.31 | 6.50 | 40% |
| $29,732 | $35,678 | $41,624 | *CUSTOMER SERVICE REPRESENTATIVE II | $14.29 | $17.15 | $20.01 | 6.18 | 40% |
| $28,175 | $33,810 | $39,445 | *TRANSIT DRIVER II | $13.55 | $16.25 | $18.96 | 4.98 | 40% |
| $27,540 | $33,048 | $38,556 | *CUSTOMER SERVICE REPRESENTATIVE I | $13.24 | $15.89 | $18.54 | 4.47 | 40% |
| $26,964 | $32,357 | $37,749 | *TRANSIT DRIVER I | $12.96 | $15.56 | $18.15 | 4.00 | 40% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Transit Shift Supervisor | $37,727 | $46,216 | $54,705 | Non exempt | 205 | Operations |

**Wage Scale effective July 1, 2015 thru June 30, 2016**

| Union | | | | | | |
|---|---|---|---|---|---|---|
| Annual Salary | | | | Hourly Rates | | |
| MINIMUM | MIDPOINT | MAXIMUM | JOB TITLE | MINIMUM | MIDPOINT | MAXIMUM |
| $31,233 | $37,479 | $43,726 | Lead Customer Service Representative III/Driver II | $15.02 | $18.02 | $21.03 |
| $30,772 | $36,926 | $43,080 | Transit Driver III/Lead | $14.80 | $17.76 | $20.72 |
| $30,326 | $36,391 | $42,456 | Customer Service Representative II | $14.58 | $17.50 | $20.42 |
| $28,738 | $34,485 | $40,233 | Transit Driver II | $13.82 | $16.58 | $19.35 |
| $28,090 | $33,708 | $39,326 | Customer Service Representative I | $13.51 | $16.21 | $18.91 |
| $27,503 | $33,003 | $38,504 | Transit Driver I | $13.22 | $15.87 | $18.52 |

# Finance Subcommittee

## Meeting January 23, 2015

## 9:00 a.m.

**Board Members Present:** *Commissioner Miguel Chavez – Santa Fe County (Telephonically), Councilor Pete Sheehey – Los Alamos County**,** Leandro Cordova - Taos County (Telephonically, Tim Vigil – Pueblo of Pojoaque*

**Staff Present:** *Anthony Mortillaro – Executive Director, Pat Lopez – Interim Finance Director, Dalene Lucero – Executive Assistant*

**Guest(s) Present***:*

**Absent:** *Commissioner Barney Trujillo - Rio Arriba County*

*Transcribed By: Dalene E. Lucero – Executive Assistant*

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**ROLL CALL**

**APPROVAL OF AGENDA**

**CALL TO ORDER**

A regular Finance Subcommittee meeting was called to order on the above date by Mr. Vigil at 9:08 a.m.

**ITEMS FOR DISCUSSION/RECOMMENDATION**

**A. Discussion and Review of FY2015 Mid-Year Budget**

Mr. Mortillaro noted that the District has always done a mid-year budget review with the Finance Subcommittee members and Board of Directors. This is done to show where the District stands in terms of beginning projections and actuals.

Mr. Mortillaro then asked Mr. Lopez to continue with the mid-year review.

Mr. Lopez asked the Finance Subcommittee members to turn over to page three (3) of the packet noting the financial narrative for the review. He then referenced page (5) of the document by which he proceeded to go over revenues.

Mr. Lopez noted that The North Central Regional Transit District (NCRTD) is currently reporting six months of financial activity. The standard for expenses and revenues for the six-month period is 50% of the budget.

The total budget is $10,254,126, which includes a $494,200 budget increase that was approved by the Board of Directors at its January 9, 2014 meeting. The increase consists of $384,878 in FTA 5311 federal funding for tribal transit operating expenditures and $109,322 in cash balance carryover to purchase a bus and for a service contract to implement the five-year short-range service plan.

Mr. Lopez then referenced page five (5) and six (6) of the packet as he continued to go over revenues in further detail. The NCRTD is projected to have a surplus of $92,441 in gross receipts tax (GRT) revenue in FY15. Revenues from federal funds, Los Alamos contributions, state capital outlay appropriations and miscellaneous income are expected to meet budget.

Mr. Lopez then referenced page seven (7) of the document by which he proceeded to go over federal grant revenue. He noted that there was an increase in January as a result of the budget adjustment increase of $384,878 that was approved by the Board for 5311 federal grant awards for Tribal Transit Grants; which is inclusive of San Ildefonso, Santa Clara, Tesuque and Pojoaque. That helps to offset some of the District's expenditures for Gross Receipts Tax; this was able to be allocated into Driver salaries, vehicle maintenance and so forth.

Mr. Mortillaro noted that the money was not allocated to anything that does not serve those particular Pueblos.

Mr. Lopez moved on to page nine (9) to discuss Gross Receipts Tax (GRT) Revenue by county. He proceeded to discuss Los Alamos County. There was a revenue deficit of $52,362 for the first four months of FY15. An all-time low of $29,878 (other than months with credits) was collected for the month of October, due partially to the start of the new federal fiscal year for the Los Alamos National Laboratory. The revenue for the remainder of the fiscal year is projected to be 10% below budget (averaging 10.2% below budget for the first 4 months), which results in a deficit of $134,448 by year end.

Mr. Mortillaro asked if there were any questions or comments.

Councilor Sheehey stated that he was pleasantly surprised by the County's budget. He noted that due to limited spending at Los Alamos National Laboratory, the County is also having to adjust their budget.

Commissioner Chavez noted that GRT is never guaranteed.

Mr. Mortillaro asked if there was any uptick from the new Smith's.

Councilor Sheehey said there was some, but he did not think that it would make up from the Lab's shortfall.

Further discussion continued on this item.

Mr. Lopez continued to page ten (10) of the document to discuss Rio Arriba County. It is anticipated that the District is anticipated to receive approximately $543,794 in GRT, which has dwindled slightly from previous years. He noted that the first four months of FY15 actual revenue is averaging nearly 1% above budget. Revenues for the remaining eight months are projected at 100% of the budget, a surplus of $1,594 by the end of FY15.

There were no questions or comments regarding Rio Arriba County.

Mr. Lopez proceeded to page eleven (11) of the packet to further discuss Santa Fe County. The District is anticipated to receive approximately $4.3 million in GRT, an increase from previous Fiscal Years. The average for the first four months of FY15 is 4% above budget, and 3.5% above the budget for the remainder of FY15. The FY15 end-of- the year surplus is projected to be $156,761. Half of this surplus will be transferred to the Rio Metro Transit District for the Rail Runner operation, which is reflected in the expenditure projections.

Councilor Sheehey asked Commissioner Chavez if he knew why Santa Fe County was doing so well.

Commissioner Chavez stated that he did not know, but that he would have to do more research to determine that. He noted that he would get with the Finance Director to determine what sectors might be generating more revenue than others.

There were no further questions or comments regarding Santa Fe County.

Mr. Lopez went on to reference page twelve (12) of the packet, stating that the District is anticipated to receive approximately $840,033, which has increased from $737,499 in FY2012. The first four months of FY15 is averaging 10.1% above the budget and 8% for the remainder of FY15. The FY15 end-of-the year surplus is projected to be $68,533.

Mr. Cordova noted that the Taos Ski Valley installation of the Kachina Lift has helped Taos County tremendously. He also stated that the recent snowfall has increased tourism. Mr. Cordova continued, stating that the closing of the mine in Questa has not yet impacted Taos.

Commissioner Chavez asked if he saw an impact in the housing market or construction.

Mr. Cordova stated that it picked up in certain places.

Further discussion went on regarding this item.

Mr. Lopez moved on to page fourteen (14), to discuss the District's expenditures. He noted that the District has spent approximately 34% of the budget for FY15, by which there is a total of $6,588,997 projected for the remainder of the fiscal year, and a total of $10,153,591 expended/projected by the end of the year. The NCRTD accounted for all the expenditures as of December 31, 2014 and closely reviewed all the line items related to Administration, Operations, Non-RTD and Capital accounts. NCRTD is closely monitoring its current and projected expenditures for the remainder of FY15.

The NCRTD will have an expenditure surplus of $100,535 at the end of FY15 due to vacancy savings and supplemental tribal federal fund allocations. The deficit in the Non-RTD expenditures of $78,381 is offset from the revenue that is anticipated from Santa Fe County since half of GRT income goes to the Rail Runner (Rio Metro Transit District).

Mr. Lopez moved on to page fifteen (15) of the document stating that the District is anticipating to spend all of its capital outlay funding. He stated that the Capital Expense Summary is inclusive of a budget increase as improved by the Board in the amount of $75,245. This will be used to purchase additional fleet.

Mr. Mortillaro noted that a Budget Amendment would be included on the February Board agenda to purchase three (3) new buses.

Mr. Lopez stated that the overall surplus of expenditures and revenues for FY15 is forecasted to be $192,976. NCRTD will continue operating as budgeted by monitoring cash flow, and no plan of action is recommended at this time. The NCRTD staff will keep the board apprised of any significant changes that might occur during the FY15 budget.

**Councilor Sheehey made a motion to accept the Mid-Year Budget Review as presented and recommended that it be forwarded to the Board of Directors for review. Commissioner Chavez seconded the motion and it passed by unanimous voice vote (4-0).**

**B. Minutes from December 19, 2014**

Mr. Vigil asked the Finance Subcommittee to review and approve the minutes from December 19, 2014.

**Commissioner Chavez made a motion to approve the minutes from December 19, 2014. Councilor Sheehey seconded the motion and it passed by unanimous voice vote (4-0).**

**MATTERS FROM THE SUBCOMMITTEE**

Mr. Mortillaro noted that the development of the FY16 budget would be starting shortly. A preliminary budget will be brought to the Finance Subcommittee Members in May.

Mr. Mortillaro also stated that the new ITS system would be launching in March.

Additionally, Mr. Mortillaro noted that the District has taken over the Taos Express Route and runs on weekends from Taos to Santa Fe and back. He noted that there is a mid-point stop in Espanola.

The Subcommittee members went on to discuss Dial-A-Ride Service.

**ADJOURN**

The Finance Subcommittee meeting was adjourned at 10:11 a.m.

**The next Finance Subcommittee meeting will be held on February 27, 2015 at 9:00 a.m.**